

CERTIFICATION OF ENROLLMENT

SUBSTITUTE SENATE BILL 6277

Chapter 194, Laws of 2012

62nd Legislature
2012 Regular Session

PROPERTY TAX EXEMPTION--MULTIPLE-UNIT DWELLINGS--URBAN CENTERS

EFFECTIVE DATE: 06/07/12

Passed by the Senate March 8, 2012
YEAS 42 NAYS 6

BRAD OWEN

President of the Senate

Passed by the House March 8, 2012
YEAS 68 NAYS 30

FRANK CHOPP

Speaker of the House of Representatives

Approved March 29, 2012, 7:32 p.m.

CHRISTINE GREGOIRE

Governor of the State of Washington

CERTIFICATE

I, Thomas Hoemann, Secretary of the Senate of the State of Washington, do hereby certify that the attached is **SUBSTITUTE SENATE BILL 6277** as passed by the Senate and the House of Representatives on the dates hereon set forth.

THOMAS HOEMANN

Secretary

FILED

March 29, 2012

**Secretary of State
State of Washington**

SUBSTITUTE SENATE BILL 6277

AS AMENDED BY THE HOUSE

Passed Legislature - 2012 Regular Session

State of Washington 62nd Legislature 2012 Regular Session

By Senate Ways & Means (originally sponsored by Senators Conway, Becker, Kastama, Schoesler, Kilmer, Kohl-Welles, and Regala)

READ FIRST TIME 02/27/12.

1 AN ACT Relating to creating authority for counties to exempt from
2 property taxation new and rehabilitated multiple-unit dwellings in
3 certain unincorporated urban centers; amending RCW 84.14.007,
4 84.14.030, 84.14.040, 84.14.050, 84.14.070, 84.14.090, 84.14.100, and
5 84.14.110; and reenacting and amending RCW 84.14.010 and 84.14.060.

6 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

7 **Sec. 1.** RCW 84.14.007 and 2007 c 430 s 2 are each amended to read
8 as follows:

9 It is the purpose of this chapter to encourage increased
10 residential opportunities, including affordable housing opportunities,
11 in cities that are required to plan or choose to plan under the growth
12 management act within urban centers where the governing authority of
13 the affected city has found there is insufficient housing
14 opportunities, including affordable housing opportunities. It is
15 further the purpose of this chapter to stimulate the construction of
16 new multifamily housing and the rehabilitation of existing vacant and
17 underutilized buildings for multifamily housing in urban centers having
18 insufficient housing opportunities that will increase and improve
19 residential opportunities, including affordable housing opportunities,

1 within these urban centers. To achieve these purposes, this chapter
2 provides for special valuations in residentially deficient urban
3 centers for eligible improvements associated with multiunit housing,
4 which includes affordable housing. It is an additional purpose of this
5 chapter to allow certain counties to stimulate housing opportunities
6 near college campuses to promote dense, transit-oriented, walkable
7 college communities.

8 **Sec. 2.** RCW 84.14.010 and 2007 c 430 s 3 and 2007 c 185 s 1 are
9 each reenacted and amended to read as follows:

10 Unless the context clearly requires otherwise, the definitions in
11 this section apply throughout this chapter.

12 (1) "Campus facilities master plan" means the area that is defined
13 by the University of Washington as necessary for the future growth and
14 development of its campus facilities for branch campuses authorized
15 under RCW 28B.45.020.

16 (2) "City" means either (a) a city or town with a population of at
17 least fifteen thousand, (b) the largest city or town, if there is no
18 city or town with a population of at least fifteen thousand, located in
19 a county planning under the growth management act, or (c) a city or
20 town with a population of at least five thousand located in a county
21 subject to the provisions of RCW 36.70A.215.

22 (3) "Affordable housing" means residential housing that is rented
23 by a person or household whose monthly housing costs, including
24 utilities other than telephone, do not exceed thirty percent of the
25 household's monthly income. For the purposes of housing intended for
26 owner occupancy, "affordable housing" means residential housing that is
27 within the means of low or moderate-income households.

28 (4) "County" means a county with an unincorporated population of at
29 least three hundred fifty thousand.

30 (5) "Household" means a single person, family, or unrelated persons
31 living together.

32 ~~((+5))~~ (6) "Low-income household" means a single person, family,
33 or unrelated persons living together whose adjusted income is at or
34 below eighty percent of the median family income adjusted for family
35 size, for the county where the project is located, as reported by the
36 United States department of housing and urban development. For cities
37 located in high-cost areas, "low-income household" means a household

1 that has an income at or below one hundred percent of the median family
2 income adjusted for family size, for the county where the project is
3 located.

4 ~~((+6))~~ (7) "Moderate-income household" means a single person,
5 family, or unrelated persons living together whose adjusted income is
6 more than eighty percent but is at or below one hundred fifteen percent
7 of the median family income adjusted for family size, for the county
8 where the project is located, as reported by the United States
9 department of housing and urban development. For cities located in
10 high-cost areas, "moderate-income household" means a household that has
11 an income that is more than one hundred percent, but at or below one
12 hundred fifty percent, of the median family income adjusted for family
13 size, for the county where the project is located.

14 ~~((+7))~~ (8) "High cost area" means a county where the third quarter
15 median house price for the previous year as reported by the Washington
16 center for real estate research at Washington State University is equal
17 to or greater than one hundred thirty percent of the statewide median
18 house price published during the same time period.

19 ~~((+8))~~ (9) "Governing authority" means the local legislative
20 authority of a city or a county having jurisdiction over the property
21 for which an exemption may be applied for under this chapter.

22 ~~((+9))~~ (10) "Growth management act" means chapter 36.70A RCW.

23 ~~((+10))~~ (11) "Multiple-unit housing" means a building having four
24 or more dwelling units not designed or used as transient accommodations
25 and not including hotels and motels. Multifamily units may result from
26 new construction or rehabilitated or conversion of vacant,
27 underutilized, or substandard buildings to multifamily housing.

28 ~~((+11))~~ (12) "Owner" means the property owner of record.

29 ~~((+12))~~ (13) "Permanent residential occupancy" means multiunit
30 housing that provides either rental or owner occupancy on a
31 nontransient basis. This includes owner-occupied or rental
32 accommodation that is leased for a period of at least one month. This
33 excludes hotels and motels that predominately offer rental
34 accommodation on a daily or weekly basis.

35 ~~((+13))~~ (14) "Rehabilitation improvements" means modifications to
36 existing structures, that are vacant for twelve months or longer, that
37 are made to achieve a condition of substantial compliance with existing

1 building codes or modification to existing occupied structures which
2 increase the number of multifamily housing units.

3 ~~((+14))~~ (15) "Residential targeted area" means an area within an
4 urban center that has been designated by the governing authority as a
5 residential targeted area in accordance with this chapter. With
6 respect to designations after July 1, 2007, "residential targeted area"
7 may not include a campus facilities master plan.

8 ~~((+15))~~ (16) "Substantial compliance" means compliance with local
9 building or housing code requirements that are typically required for
10 rehabilitation as opposed to new construction.

11 ~~((+16))~~ (17) "Urban center" means a compact identifiable district
12 where urban residents may obtain a variety of products and services.
13 An urban center must contain:

14 (a) Several existing or previous, or both, business establishments
15 that may include but are not limited to shops, offices, banks,
16 restaurants, governmental agencies;

17 (b) Adequate public facilities including streets, sidewalks,
18 lighting, transit, domestic water, and sanitary sewer systems; and

19 (c) A mixture of uses and activities that may include housing,
20 recreation, and cultural activities in association with either
21 commercial or office, or both, use.

22 **Sec. 3.** RCW 84.14.030 and 2007 c 430 s 5 are each amended to read
23 as follows:

24 An owner of property making application under this chapter must
25 meet the following requirements:

26 (1) The new or rehabilitated multiple-unit housing must be located
27 in a residential targeted area as designated by the city or county;

28 (2) The multiple-unit housing must meet guidelines as adopted by
29 the governing authority that may include height, density, public
30 benefit features, number and size of proposed development, parking,
31 income limits for occupancy, limits on rents or sale prices, and other
32 adopted requirements indicated necessary by the city or county. The
33 required amenities should be relative to the size of the project and
34 tax benefit to be obtained;

35 (3) The new, converted, or rehabilitated multiple-unit housing must
36 provide for a minimum of fifty percent of the space for permanent
37 residential occupancy. In the case of existing occupied multifamily

1 development, the multifamily housing must also provide for a minimum of
2 four additional multifamily units. Existing multifamily vacant housing
3 that has been vacant for twelve months or more does not have to provide
4 additional multifamily units;

5 (4) New construction multifamily housing and rehabilitation
6 improvements must be completed within three years from the date of
7 approval of the application;

8 (5) Property proposed to be rehabilitated must fail to comply with
9 one or more standards of the applicable state or local building or
10 housing codes on or after July 23, 1995. If the property proposed to
11 be rehabilitated is not vacant, an applicant (~~shall~~) must provide
12 each existing tenant housing of comparable size, quality, and price and
13 a reasonable opportunity to relocate; and

14 (6) The applicant must enter into a contract with the city or
15 county approved by the governing authority, or an administrative
16 official or commission authorized by the governing authority, under
17 which the applicant has agreed to the implementation of the development
18 on terms and conditions satisfactory to the governing authority.

19 **Sec. 4.** RCW 84.14.040 and 2007 c 430 s 6 are each amended to read
20 as follows:

21 (1) The following criteria must be met before an area may be
22 designated as a residential targeted area:

23 (a) The area must be within an urban center, as determined by the
24 governing authority;

25 (b) The area must lack, as determined by the governing authority,
26 sufficient available, desirable, and convenient residential housing,
27 including affordable housing, to meet the needs of the public who would
28 be likely to live in the urban center, if the affordable, desirable,
29 attractive, and livable places to live were available; (~~and~~)

30 (c) The providing of additional housing opportunity, including
31 affordable housing, in the area, as determined by the governing
32 authority, will assist in achieving one or more of the stated purposes
33 of this chapter; and

34 (d) If the residential targeted area is designated by a county, the
35 area must be located in an unincorporated area of the county that is
36 within an urban growth area under RCW 36.70A.110 and the area must

1 include a campus of an institution of higher education, as defined in
2 RCW 28B.92.030, where at least one thousand two hundred students live
3 on campus during the academic year.

4 (2) For the purpose of designating a residential targeted area or
5 areas, the governing authority may adopt a resolution of intention to
6 so designate an area as generally described in the resolution. The
7 resolution must state the time and place of a hearing to be held by the
8 governing authority to consider the designation of the area and may
9 include such other information pertaining to the designation of the
10 area as the governing authority determines to be appropriate to apprise
11 the public of the action intended.

12 (3) The governing authority (~~shall~~) must give notice of a hearing
13 held under this chapter by publication of the notice once each week for
14 two consecutive weeks, not less than seven days, nor more than thirty
15 days before the date of the hearing in a paper having a general
16 circulation in the city or county where the proposed residential
17 targeted area is located. The notice must state the time, date, place,
18 and purpose of the hearing and generally identify the area proposed to
19 be designated as a residential targeted area.

20 (4) Following the hearing, or a continuance of the hearing, the
21 governing authority may designate all or a portion of the area
22 described in the resolution of intent as a residential targeted area if
23 it finds, in its sole discretion, that the criteria in subsections (1)
24 through (3) of this section have been met.

25 (5) After designation of a residential targeted area, the governing
26 authority must adopt and implement standards and guidelines to be
27 utilized in considering applications and making the determinations
28 required under RCW 84.14.060. The standards and guidelines must
29 establish basic requirements for both new construction and
30 rehabilitation, which must include:

31 (a) Application process and procedures;

32 (b) Requirements that address demolition of existing structures and
33 site utilization; and

34 (c) Building requirements that may include elements addressing
35 parking, height, density, environmental impact, and compatibility with
36 the existing surrounding property and such other amenities as will
37 attract and keep permanent residents and that will properly enhance the

1 livability of the residential targeted area in which they are to be
2 located.

3 (6) The governing authority may adopt and implement, either as
4 conditions to eight-year exemptions or as conditions to an extended
5 exemption period under RCW 84.14.020(~~(+2)~~) (1)(a)(ii)(B), or both,
6 more stringent income eligibility, rent, or sale price limits,
7 including limits that apply to a higher percentage of units, than the
8 minimum conditions for an extended exemption period under RCW
9 84.14.020(~~(+2)~~) (1)(a)(ii)(B). For any multiunit housing located in
10 an unincorporated area of a county, a property owner seeking tax
11 incentives under this chapter must commit to renting or selling at
12 least twenty percent of the multifamily housing units as affordable
13 housing units to low and moderate-income households. In the case of
14 multiunit housing intended exclusively for owner occupancy, the minimum
15 requirement of this subsection (6) may be satisfied solely through
16 housing affordable to moderate-income households.

17 **Sec. 5.** RCW 84.14.050 and 2007 c 430 s 7 are each amended to read
18 as follows:

19 An owner of property seeking tax incentives under this chapter must
20 complete the following procedures:

21 (1) In the case of rehabilitation or where demolition or new
22 construction is required, the owner (~~shall~~) must secure from the
23 governing authority or duly authorized representative, before
24 commencement of rehabilitation improvements or new construction,
25 verification of property noncompliance with applicable building and
26 housing codes;

27 (2) In the case of new and rehabilitated multifamily housing, the
28 owner (~~shall~~) must apply to the city or county on forms adopted by
29 the governing authority. The application must contain the following:

30 (a) Information setting forth the grounds supporting the requested
31 exemption including information indicated on the application form or in
32 the guidelines;

33 (b) A description of the project and site plan, including the floor
34 plan of units and other information requested;

35 (c) A statement that the applicant is aware of the potential tax
36 liability involved when the property ceases to be eligible for the
37 incentive provided under this chapter;

1 (3) The applicant must verify the application by oath or
2 affirmation; and

3 (4) The application must be accompanied by the application fee, if
4 any, required under RCW 84.14.080. The governing authority may permit
5 the applicant to revise an application before final action by the
6 governing authority.

7 **Sec. 6.** RCW 84.14.060 and 2007 c 430 s 8 and 2007 c 185 s 2 are
8 each reenacted and amended to read as follows:

9 (1) The duly authorized administrative official or committee of the
10 city or county may approve the application if it finds that:

11 (a) A minimum of four new units are being constructed or in the
12 case of occupied rehabilitation or conversion a minimum of four
13 additional multifamily units are being developed;

14 (b) If applicable, the proposed multiunit housing project meets the
15 affordable housing requirements as described in RCW 84.14.020;

16 (c) The proposed project is or will be, at the time of completion,
17 in conformance with all local plans and regulations that apply at the
18 time the application is approved;

19 (d) The owner has complied with all standards and guidelines
20 adopted by the city or county under this chapter; and

21 (e) The site is located in a residential targeted area of an urban
22 center that has been designated by the governing authority in
23 accordance with procedures and guidelines indicated in RCW 84.14.040.

24 (2) An application may not be approved after July 1, 2007, if any
25 part of the proposed project site is within a campus facilities master
26 plan, except as provided in RCW 84.14.040(1)(d).

27 **Sec. 7.** RCW 84.14.070 and 1995 c 375 s 10 are each amended to read
28 as follows:

29 (1) The governing authority or an administrative official or
30 commission authorized by the governing authority (~~shall~~) must approve
31 or deny an application filed under this chapter within ninety days
32 after receipt of the application.

33 (2) If the application is approved, the city (~~shall~~) or county
34 must issue the owner of the property a conditional certificate of
35 acceptance of tax exemption. The certificate must contain a statement

1 by a duly authorized administrative official of the governing authority
2 that the property has complied with the required findings indicated in
3 RCW ((84.14.050)) 84.14.060.

4 (3) If the application is denied by the authorized administrative
5 official or commission authorized by the governing authority, the
6 deciding administrative official or commission ((shall)) must state in
7 writing the reasons for denial and send the notice to the applicant at
8 the applicant's last known address within ten days of the denial.

9 (4) Upon denial by a duly authorized administrative official or
10 commission, an applicant may appeal the denial to the governing
11 authority within thirty days after receipt of the denial. The appeal
12 before the governing authority ((will)) must be based upon the record
13 made before the administrative official with the burden of proof on the
14 applicant to show that there was no substantial evidence to support the
15 administrative official's decision. The decision of the governing body
16 in denying or approving the application is final.

17 **Sec. 8.** RCW 84.14.090 and 2007 c 430 s 9 are each amended to read
18 as follows:

19 (1) Upon completion of rehabilitation or new construction for which
20 an application for a limited tax exemption under this chapter has been
21 approved and after issuance of the certificate of occupancy, the owner
22 ((shall)) must file with the city or county the following:

23 (a) A statement of the amount of rehabilitation or construction
24 expenditures made with respect to each housing unit and the composite
25 expenditures made in the rehabilitation or construction of the entire
26 property;

27 (b) A description of the work that has been completed and a
28 statement that the rehabilitation improvements or new construction on
29 the owner's property qualify the property for limited exemption under
30 this chapter;

31 (c) If applicable, a statement that the project meets the
32 affordable housing requirements as described in RCW 84.14.020; and

33 (d) A statement that the work has been completed within three years
34 of the issuance of the conditional certificate of tax exemption.

35 (2) Within thirty days after receipt of the statements required
36 under subsection (1) of this section, the authorized representative of
37 the city ((shall)) or county must determine whether the work completed,

1 and the affordability of the units, is consistent with the application
2 and the contract approved by the city or county and is qualified for a
3 limited tax exemption under this chapter. The city (~~shall~~) or county
4 must also determine which specific improvements completed meet the
5 requirements and required findings.

6 (3) If the rehabilitation, conversion, or construction is completed
7 within three years of the date the application for a limited tax
8 exemption is filed under this chapter, or within an authorized
9 extension of this time limit, and the authorized representative of the
10 city or county determines that improvements were constructed consistent
11 with the application and other applicable requirements, including if
12 applicable, affordable housing requirements, and the owner's property
13 is qualified for a limited tax exemption under this chapter, the city
14 (~~shall~~) or county must file the certificate of tax exemption with the
15 county assessor within ten days of the expiration of the thirty-day
16 period provided under subsection (2) of this section.

17 (4) The authorized representative of the city (~~shall~~) or county
18 must notify the applicant that a certificate of tax exemption is not
19 going to be filed if the authorized representative determines that:

20 (a) The rehabilitation or new construction was not completed within
21 three years of the application date, or within any authorized extension
22 of the time limit;

23 (b) The improvements were not constructed consistent with the
24 application or other applicable requirements;

25 (c) If applicable, the affordable housing requirements as described
26 in RCW 84.14.020 were not met; or

27 (d) The owner's property is otherwise not qualified for limited
28 exemption under this chapter.

29 (5) If the authorized representative of the city or county finds
30 that construction or rehabilitation of multiple-unit housing was not
31 completed within the required time period due to circumstances beyond
32 the control of the owner and that the owner has been acting and could
33 reasonably be expected to act in good faith and with due diligence, the
34 governing authority or the city or county official authorized by the
35 governing authority may extend the deadline for completion of
36 construction or rehabilitation for a period not to exceed twenty-four
37 consecutive months.

1 (6) The governing authority may provide by ordinance for an appeal
2 of a decision by the deciding officer or authority that an owner is not
3 entitled to a certificate of tax exemption to the governing authority,
4 a hearing examiner, or other city or county officer authorized by the
5 governing authority to hear the appeal in accordance with such
6 reasonable procedures and time periods as provided by ordinance of the
7 governing authority. The owner may appeal a decision by the deciding
8 officer or authority that is not subject to local appeal or a decision
9 by the local appeal authority that the owner is not entitled to a
10 certificate of tax exemption in superior court under RCW 34.05.510
11 through 34.05.598, if the appeal is filed within thirty days of
12 notification by the city or county to the owner of the decision being
13 challenged.

14 **Sec. 9.** RCW 84.14.100 and 2007 c 430 s 10 are each amended to read
15 as follows:

16 (1) Thirty days after the anniversary of the date of the
17 certificate of tax exemption and each year for the tax exemption
18 period, the owner of the rehabilitated or newly constructed property
19 (~~shall~~) must file with a designated authorized representative of the
20 city or county an annual report indicating the following:

21 (a) A statement of occupancy and vacancy of the rehabilitated or
22 newly constructed property during the twelve months ending with the
23 anniversary date;

24 (b) A certification by the owner that the property has not changed
25 use and, if applicable, that the property has been in compliance with
26 the affordable housing requirements as described in RCW 84.14.020 since
27 the date of the certificate approved by the city or county;

28 (c) A description of changes or improvements constructed after
29 issuance of the certificate of tax exemption; and

30 (d) Any additional information requested by the city or county in
31 regards to the units receiving a tax exemption.

32 (2) All cities or counties, which issue certificates of tax
33 exemption for multiunit housing that conform to the requirements of
34 this chapter, (~~shall~~) must report annually by December 31st of each
35 year, beginning in 2007, to the department of (~~community, trade, and~~
36 ~~economic development~~) commerce. The report must include the following
37 information:

- 1 (a) The number of tax exemption certificates granted;
- 2 (b) The total number and type of units produced or to be produced;
- 3 (c) The number and type of units produced or to be produced meeting
- 4 affordable housing requirements;
- 5 (d) The actual development cost of each unit produced;
- 6 (e) The total monthly rent or total sale amount of each unit
- 7 produced;
- 8 (f) The income of each renter household at the time of initial
- 9 occupancy and the income of each initial purchaser of owner-occupied
- 10 units at the time of purchase for each of the units receiving a tax
- 11 exemption and a summary of these figures for the city or county; and
- 12 (g) The value of the tax exemption for each project receiving a tax
- 13 exemption and the total value of tax exemptions granted.

14 **Sec. 10.** RCW 84.14.110 and 2007 c 430 s 11 are each amended to

15 read as follows:

16 (1) If improvements have been exempted under this chapter, the

17 improvements continue to be exempted for the applicable period under

18 RCW 84.14.020, so long as they are not converted to another use and

19 continue to satisfy all applicable conditions. If the owner intends to

20 convert the multifamily development to another use, or if applicable,

21 if the owner intends to discontinue compliance with the affordable

22 housing requirements as described in RCW 84.14.020 or any other

23 condition to exemption, the owner (~~shall~~) must notify the assessor

24 within sixty days of the change in use or intended discontinuance. If,

25 after a certificate of tax exemption has been filed with the county

26 assessor, the authorized representative of the governing authority

27 discovers that a portion of the property is changed or will be changed

28 to a use that is other than residential or that housing or amenities no

29 longer meet the requirements, including, if applicable, affordable

30 housing requirements, as previously approved or agreed upon by contract

31 between the city or county and the owner and that the multifamily

32 housing, or a portion of the housing, no longer qualifies for the

33 exemption, the tax exemption must be canceled and the following must

34 occur:

35 (a) Additional real property tax must be imposed upon the value of

36 the nonqualifying improvements in the amount that would normally be

37 imposed, plus a penalty must be imposed amounting to twenty percent.

1 This additional tax is calculated based upon the difference between the
2 property tax paid and the property tax that would have been paid if it
3 had included the value of the nonqualifying improvements dated back to
4 the date that the improvements were converted to a nonmultifamily use;

5 (b) The tax must include interest upon the amounts of the
6 additional tax at the same statutory rate charged on delinquent
7 property taxes from the dates on which the additional tax could have
8 been paid without penalty if the improvements had been assessed at a
9 value without regard to this chapter; and

10 (c) The additional tax owed together with interest and penalty must
11 become a lien on the land and attach at the time the property or
12 portion of the property is removed from multifamily use or the
13 amenities no longer meet applicable requirements, and has priority to
14 and must be fully paid and satisfied before a recognizance, mortgage,
15 judgment, debt, obligation, or responsibility to or with which the land
16 may become charged or liable. The lien may be foreclosed upon
17 expiration of the same period after delinquency and in the same manner
18 provided by law for foreclosure of liens for delinquent real property
19 taxes. An additional tax unpaid on its due date is delinquent. From
20 the date of delinquency until paid, interest must be charged at the
21 same rate applied by law to delinquent ad valorem property taxes.

22 (2) Upon a determination that a tax exemption is to be canceled for
23 a reason stated in this section, the governing authority or authorized
24 representative (~~shall~~) must notify the record owner of the property
25 as shown by the tax rolls by mail, return receipt requested, of the
26 determination to cancel the exemption. The owner may appeal the
27 determination to the governing authority or authorized representative,
28 within thirty days by filing a notice of appeal with the clerk of the
29 governing authority, which notice must specify the factual and legal
30 basis on which the determination of cancellation is alleged to be
31 erroneous. The governing authority or a hearing examiner or other
32 official authorized by the governing authority may hear the appeal. At
33 the hearing, all affected parties may be heard and all competent
34 evidence received. After the hearing, the deciding body or officer
35 (~~shall~~) must either affirm, modify, or repeal the decision of
36 cancellation of exemption based on the evidence received. An aggrieved
37 party may appeal the decision of the deciding body or officer to the
38 superior court under RCW 34.05.510 through 34.05.598.

1 (3) Upon determination by the governing authority or authorized
2 representative to terminate an exemption, the county officials having
3 possession of the assessment and tax rolls (~~shall~~) must correct the
4 rolls in the manner provided for omitted property under RCW 84.40.080.
5 The county assessor (~~shall~~) must make such a valuation of the
6 property and improvements as is necessary to permit the correction of
7 the rolls. The value of the new housing construction, conversion, and
8 rehabilitation improvements added to the rolls (~~shall-be~~) is
9 considered as new construction for the purposes of chapter 84.55 RCW.
10 The owner may appeal the valuation to the county board of equalization
11 under chapter 84.48 RCW and according to the provisions of RCW
12 84.40.038. If there has been a failure to comply with this chapter,
13 the property must be listed as an omitted assessment for assessment
14 years beginning January 1 of the calendar year in which the
15 noncompliance first occurred, but the listing as an omitted assessment
16 may not be for a period more than three calendar years preceding the
17 year in which the failure to comply was discovered.

Passed by the Senate March 8, 2012.

Passed by the House March 8, 2012.

Approved by the Governor March 29, 2012.

Filed in Office of Secretary of State March 29, 2012.